

COMMODORE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS FOR THE WORLDWIDE BANK GROUP  
MARCH 1986

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COMMODORE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS FOR THE WORLDWIDE BANK GROUP  
MARCH 1986

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commodore international limited  
consolidated income statement  
fiscal 1986

5/19/86

(in thousands of dollars)

	yr/date 12/31/85	month 1/24/86	month 2/28/86	month 3/31/86	unusual adjustments 3/31/86	quarter 3/31/86	actual yr/date 3/31/86
net sales	498400	33700	79100	69500		182300	680700
cost of sales -std.	365600	21900	51200	41600		114700	480300
gross margin -std.	132800	11800	27900	27900	0	67600	200400
other cost of sales							
air freight	14500	700	1500	1700		3900	18400
unabsorbed labor & oh							
semiconductor group	6400	800	600	900		2300	8700
other mfg locations	8400	1800	700	900		3400	11800
other	32000	1900	4200	500	9600	16200	48200
subtotal other cos	61300	5200	7000	4000	9600	25800	87100
net gross margin	71500	6600	20900	23900	-9600	41800	113300
operating expenses							
advert & merchand	51400	4600	6700	8200		19500	70900
selling & delivery	35200	5000	5600	4400	6000	21000	56200
administration	18400	2900	3700	3700		10300	28700
amortiz acquired tech	4000	600	700	700		2000	6000
research & develop	23200	2200	2900	3000		8100	31300
total operating expenses	132200	15300	19600	20000	6000	60900	193100
operating income	-60700	-8700	1300	3900	-15600	-19100	-79800
interest expense	17000	2200	2600	1100		5900	22900
other expense (income)	11900	1400	100	2300	6500	10300	22200
pre-tax income	-89600	-12300	-1400	500	-22100	-35300	-124900
income tax (benefit)	2800	200	800	400		1400	4200
net income	-92400	-12500	-2200	100	-22100	-36700	-129100

commodore business machines, inc.  
product sales  
fiscal 1986

	actual march		
	qty	price	sales
c64	26766	124	3325
1541 drives	35862	158	5668
monitors	5796	139	807
printers	20531	24	496
ted products			1028
other			1052
subtotal -existing			12376
c128	18830	232	4360
1571 drive	23963	194	4655
1902 monitor	2569	243	623
mps 1000 printer	5408	195	1053
other			0
subtotal -c128			10691
amiga	2897	835	2418
amiga monitor	421	325	137
other			-483
subtotal -amiga			2072
total u.s.			25139
			=====

commodore international limited  
product sales  
fiscal 1986

		actual march	
non-u.s.	qty	price	sales
c64	58632	160	9368
1541 drives	11583	167	1931
c64/1541	5392	355	1913
c64/1530	6298	196	1232
1541/printer	340	253	86
1701/2 monitors	5964	184	1099
801/803 printers	1145	119	136
red products			3442
other bundles			1774
others			1448
subtotal -existing			22429
c128/128d	29241	346	10117
1570/1571 drives	9130	228	2080
c128 bundles	4678	346	1620
1902 monitor	5359	281	1505
subtotal -c128			15322
pc10	3191	1043	3327
pc20	1287	1730	2227
other			0
subtotal -pc10/20			5554
amiga			1009
total -rest world			44314

commodore international limited  
consolidated balance sheet  
march 31, 1986

5/15/86

	12/31/85	3/31/86	special adjust	adjust 3/31/86
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
cash	37500	23400		23400
accounts receivable, net	185500	126200	-7600	118600
inventories	225000	224700	-9600	215100
prepaid expenses	15100	13500		13500
income tax refunds	5100	3000		3000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
total current assets	468200	390800	-17200	373600
property - cost	161600	155200		155200
- accum deprec	-58400	-58300	-1000	-59300
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
net property	103200	96900	-1000	95900
acquired technology	27700	25700		25700
other assets	13200	13700		13700
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
total assets	612300	527100	-18200	508900
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
current bank debt	140800	119400		119400
current debentures & mtgs	47200	49100		49100
current long-term debt	10400	8600		8600
far east payable & accruals	81900	69100		69100
other payables & accruals	99600	70400	3900	74300
income taxes	57700	51500		51500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
total current liabilities	437600	368100	3900	372000
long-term revolving credits	5700	4700		4700
mortgages & leases	26400	24300		24300
deferred taxes	6200	6300		6300
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
total liabilities	475900	403400	3900	407300
total equity	136400	123700	-22100	101600
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
total liabilities & equity	612300	527100	-18200	508900
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

commodore international limited  
accounts receivable aging  
march 31, 1986

(in thousands of dollars)

	not yet due	days past due				other rec	reserves			total
		0-30	31-90	90+	subtotal		allow	bad debts		
u.s. systems	32000	200	8900	8900	50000	2500	-19400	-10800	22300	
canada	4500	700	1000	1200	7400	400	-1000	-1200	5600	
u.k.	6300	1400	3100	2800	13600	3400	-1700	-1900	13400	
germany	14900	1500	1200	900	18500	900	-1300	-300	17800	
northern europe	15300	6400	1700	4800	28200	3900	-300	-1900	29900	
italy -trade discounted	10700 -4500	1900	3800	7700	24100 -4500	2100	0	-5900	20300 -4500	
cel - basel	4700	1300	1300	1600	8900	0	0	-1000	7900	
australia	2700	2200	500	600	6000	0	-500	-300	5200	
other	0	200	0	0	200	600	0	-100	700	
total	86600	15800	21500	28500	152400	13800	-24200	-23400	118600	

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comodore international limited  
worldwide inventory  
fiscal 1986

	2/28/86 invent -----	march sales -----	units -----	5/19/86
c64 group -----				3/31/86 invent -----
c64 - finished	103200	289500	249200	62900
- pcb	186800		20800	207600
1541 drives	66400	126900	126900	66400
monitors	41600	29600	20400	32400
printers	28500	8500	44600	15400
cl28 group -----				
d28 - finished	81800	126300	103700	59200
- pcb	132900		426700	106200
1570 - drives	20300	18800	17900	19400
1571 - drives	93600	77000	54900	71500
1902 monitors	7500	27100	47500	27900
amiga group -----				
amiga cpu	54600	6900	13100	60800
amiga monitors	51000	2500	4500	53000
pc10/20	5800	12600	12600	5800



comodore international limited  
worldwide bank borrowings  
calendar 1986

5/14/86

(in thousands)

	12/31/85			1/24/86			2/26/86			3/31/86		
	local	exch	u.s.	local	exch	u.s.	local	exch	u.s.	local	exch	u.s.
us			80841			77009			77009			77009
uk	13292	1.44	19140	11445	1.39	15909	10496	1.44	15114	8893	1.48	13162
germany	31693	2.45	12936	20446	2.41	8484	24449	2.23	10964	23162	2.34	9898
pooled debt			112917			101401			103087			100069
other			33656			28543			27727			23982
total			146573			129944			130814			124051
			=====			=====			=====			=====
current			140800			124100			125200			119400
long-term			5700			5800			5600			4700
total			146500			129900			130800			124100
			=====			=====			=====			=====
other												
canada	2600	1.40	1857	2600	1.41	1844	2600	1.42	1831	2600	1.40	1857
austria	65534	17.20	3810	71827	17.00	4225	68504	15.70	4363	49700	16.25	3058
belgium	159000	50.20	3167	140000	50.00	2800	101000	45.70	2210	103000	48.80	2111
netherlands	5725	2.75	2082	3028	2.72	1113	1516	2.52	602	0	2.62	0
switzerland	1376	2.06	668	4	2.04	2	959	1.88	510	715	1.95	367
denmark	0	8.92	0	0	8.91	0	0	8.17	0	0	8.58	0
norway	1078	7.55	143	0	7.53	0	2472	6.98	354	5921	7.30	811
sweden	5000	7.55	662	7081	7.58	934	5000	7.16	698	5000	7.34	681
france	6408	7.50	854	118	7.41	16	4172	6.86	608	4587	7.20	637
italy -gross	27460	1665	16492	22901	1643	13939	21981	1513	14528	18920	1591	11892
-discount	-5809	1665	-3489	-6885	1643	-4191	-7160	1513	-4732	-7209	1591	-4531
australia	10505	1.47	7146	10984	1.40	7846	9465	1.43	6619	8720	1.40	6229
hong kong			262			15			136			870
total other			33656			28543			27727			23982
			=====			=====			=====			=====

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COMMODORE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS FOR THE WORLDWIDE BANK GROUP  
MARCH 1986

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commodore international limited  
operating statement  
nine months ended march 31, 1986

5/12/86

	cel & amiga	cel*	cbm, inc.	canada	u.k.	germany	oth. europe	taiwan	japan	australia	adjustments	total
Trade Sales	0	26310	274498	40053	50935	120091	142533	0	0	26330	0	680750
Interco Sale	0	917239	60012	3526	49682	143251	9086	24342	214071	1561	-1422770	0
Total Sales	0	943549	334510	43579	100617	263342	151619	24342	214071	27891	-1422770	680750
Cost of Sale	353	976088	285289	34709	92842	240354	122243	24026	215054	19413	-1442881	567490
Gross Margin	-353	-32539	49221	8870	7775	22988	29376	316	-983	8478	20111	113260
Operating Ex Advt & Mdse	0	1434	43503	2776	6228	6249	8204	0	0	2547	0	70941
Sell & Del	0	1532	26930	4100	3792	8498	8550	0	0	3168	0	56570
Gen. & Adm	5210	3822	8197	959	962	1897	5324	0	1580	763	0	28714
R & D	13254	21142	1828	0	669	0	0	0	0	0	0	36893
Total Oper. Expenses	18464	27930	80458	7835	11651	16644	22078	0	1580	6478	0	193118
Operating Income/Loss	-18817	-60469	-31237	1035	-3876	6344	7298	316	-2563	2000	20111	-79858
Int. Exp.	1669	-5154	13525	-270	2402	5091	6453	0	-1	737	0	24452
Int. Inc. Other	-7	-519	-602	-17	-34	-21	-297	-6	-5	-6	0	-1514
Exp(Inc)	8	-4012	20254	375	3229	-159	861	0	1684	-133	0	22107
Pre-Tax Income	-20487	-50784	-64414	947	-9473	1433	281	322	-4241	1402	20111	-124903
Income Tax	0	194	0	0	0	1438	1770	13	0	777	0	4192
Net Income	-20487	-50978	-64414	947	-9473	-5	-1489	309	-4241	625	20111	-129095

\* includes bv & nv.

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comodore international limited  
operating statement--other europe  
nine months ended march 31, 1986

5/12/86

	austria	belgium	netherlands	switzerland	denmark	norway	sweden	france	italy	total
Trade Sales	10972	14775	14518	13703	15428	7643	11170	16997	37327	142533
Interco Sale	0	412	384	57	22	0	629	0	7582	9086
Total Sales	10972	15187	14902	13760	15450	7643	11799	16997	44909	151619
Cost of Sale	8745	12410	12504	10381	11596	5591	9133	13875	38008	122243
Gross Margin	2227	2777	2398	3379	3854	2052	2666	3122	6901	29376
Operating Ex Advt & Mlse	552	865	540	731	609	274	771	1587	2275	8204
Sell & Del	645	1153	1018	1096	709	784	931	1902	312	8550
Gen. & Adm	362	539	471	421	403	338	568	807	1415	5324
R & D	0	0	0	0	0	0	0	0	0	0
Total Oper. Expenses	1559	2557	2029	2248	1721	1396	2270	4296	4002	22078
Operating Inc(Loss)	668	220	369	1131	2133	656	396	-1174	2899	7298
Int. Exp.	251	214	119	25	43	212	85	111	5393	6453
Int. Inc. Other	0	-11	-1	-1	-58	-46	-5	0	-175	-297
Exp(Inc)	-35	99	43	-7	14	0	1	0	746	861
Pre-Tax Income	452	-82	208	1114	2134	490	315	-1285	-3065	281
Income Tax	279	2	5	419	1065	0	0	0	0	1770
Net Income	173	-84	203	695	1069	490	315	-1285	-3065	-1489

comodore international limited  
balance sheet -assets  
march 31, 1986

5/12/86

	cil & amiga	cel*	cbm, inc.	canada	u.k.	germany	oth. europe	taiwan	japan	australia	adjustments	total
cash	23	4960	10318	2535	1	218	4668	404	310	0	0	23437
a/r trade	0	8884	50095	7386	13641	18520	47855	0	11	6009	0	152401
a/r other	190	274	2683	421	3260	863	5982	56	23	41	0	13793
total a/r	190	9158	52778	7807	16901	19383	53837	56	34	6050	0	166194
reserves	0	-1050	-30202	-2160	-3588	-1612	-8171	0	0	-849	0	-47632
net a/r	190	8108	22576	5647	13313	17771	45666	56	34	5201	0	118562
rm/wip	0	18380	28028	1379	5486	36664	0	5171	12133	0	-18619	88622
fin. goods	0	-22841	88756	5662	17329	21657	24979	0	0	9255	-38894	126460
total invent	0	16096	116784	7041	22815	58321	24979	5171	12133	9255	-57513	215082
tax refunds	0	0	1284	0	0	1697	0	0	0	0	0	2981
prepaids	2271	274	5461	112	228	3880	854	48	23	331	0	13482
curr assets	2484	29438	156423	15335	36357	81887	76167	5679	12500	14787	-57513	373544
property:												
cost	4071	30682	90599	751	6340	8562	7698	1757	4061	739	0	155260
accum depr	-1444	-15168	-33970	-434	-806	-3327	-2343	-389	-1259	-221	0	-59361
net property	2627	15514	56629	317	5534	5235	5355	1368	2802	518	0	95899
invest- subs	264465	148936	0	0	0	35	272	0	0	0	-413708	0
acq'd tech.	25717	0	0	0	0	0	0	0	0	0	0	25717
other assets	382	3634	5349	4	0	1951	1378	34	873	94	0	13699
total assets	295675	197522	218401	15656	41891	89108	83172	7081	16175	15399	-471221	508859

\* includes bv & nv.

comodore international limited  
balance sheet - assets - other europe  
march 31, 1986

5/12/86

	austria	belgium	netherlands	switzerland	denmark	norway	sweden	france	italy	total
cash	4	162	864	573	1253	678	204	0	930	4668
a/r trade	2643	1822	2824	2614	3978	1830	1961	10605	19578	47855
a/r other	157	133	143	14	7	16	112	3339	2061	5982
total a/r	2800	1955	2967	2628	3985	1846	2073	13944	21639	53837
reserves	-343	-256	-324	-179	-452	-246	-86	-402	-5883	-8171
net a/r	2457	1699	2643	2449	3533	1600	1987	13542	15756	45666
rm/wip	0	0	0	0	0	0	0	0	0	0
fin. goods	2703	2111	2649	2245	1991	1626	3400	4938	3316	24979
total inveht	2703	2111	2649	2245	1991	1626	3400	4938	3316	24979
tax refunds	0	0	0	0	0	0	0	0	0	0
prepaids	186	107	21	69	0	96	104	0	271	854
curr assets	5350	4079	6177	5336	6777	4000	5695	18480	20273	76167
property:										
cost	1490	643	394	2455	356	269	393	140	1558	7698
accum depr	-216	-286	-227	-245	-156	-97	-93	-6	-1017	-2343
net property	1274	357	167	2210	200	172	300	134	541	5355
invest- subs	0	0	272	0	0	0	0	0	0	272
acq'd tech.	0	0	0	0	0	0	0	0	0	0
other assets	3	232	3	3	53	0	968	88	28	1378
total assets	6627	4668	6619	7549	7030	4172	6963	18702	20842	83172

II-4

commodore international limited  
balance sheet liabilities  
march 31, 1986

5/12/86

	cel*	cbm, inc.	canada	u.k.	germany	oth. europe	taiwan	japan	australia	adjustments	total
bank debt	0	870	77009	1857	13162	15026	0	0	1586	0	119409
dm & mtge	0	45741	0	3330	0	0	0	0	0	0	49071
current ltd	0	1250	6777	0	0	0	0	298	45	0	8584
accounts pay	5599	22057	10385	449	1135	5802	1960	42844	745	0	97401
accrued liab	3478	10483	15068	881	1626	7312	180	2654	923	0	45962
income taxes	0	26976	15585	579	2855	1703	14	-783	858	0	51516
interco	46849	-98350	17998	2019	2851	43812	1829	-25411	1808	0	0
curr liab	55926	9027	142822	5785	24959	76304	3983	19602	5965	0	371943
1-t debt:											
revolv cred	0	0	0	0	0	0	0	0	4643	0	4643
mortgages	0	0	0	0	1075	314	0	0	0	0	1389
leases	0	2224	27756	0	0	0	0	1220	116	0	31316
other	0	290	0	0	0	0	0	0	0	0	290
total ltd	0	2514	27756	0	0	314	0	1220	4759	0	37638
less:current	0	-1250	-6777	0	0	-214	0	-298	-45	0	-8584
net ltd	0	1264	20979	0	0	314	0	922	4714	0	29054
deferred tax	0	1410	0	0	4647	200	0	0	0	0	6292
interco	0	0	0	0	0	0	0	0	0	0	0
sub interco	0	-48099	4600	0	0	42735	764	0	0	0	0
total liab	55926	-36398	168401	5785	29606	77417	3983	20324	10679	0	407289
common stock	315	8	0	16774	2	10007	1250	378	57	-32041	314
cont surplus	51157	20452	108939	0	218	-6558	0	0	0	-147263	28613
ret earnings	209281	272723	5475	-5280	24052	12408	1474	776	5147	-312028	216769
current p/l	-20487	-50978	-64414	947	-9473	-1489	309	-4241	625	20111	-129095
translat adj	0	-8285	0	-2570	-2514	-729	65	-1262	-1109	0	-14514
treas stock	-517	0	0	0	0	0	0	0	0	0	-517
total equity	239749	233920	50000	9871	12285	5755	3098	-4349	4720	-471221	101570
total liab & equity	295675	197522	218401	15656	41891	83172	7081	16175	15399	-471221	508859

\* includes bv & nv.

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comodore international limited  
balance sheet - liabilities -other europe  
march 31, 1986

5/12/86

	austria	belgium	netherlands	switzerland	denmark	norway	sweden	france	italy	total
bank debt	3058	2111	0	367	0	811	681	637	7361	15026
dm & mtge	0	0	0	0	0	0	0	0	0	0
current ltd	0	0	0	0	0	0	0	0	0	0
accounts pay	448	347	1035	464	133	271	341	1459	1927	6425
accrued liab	165	563	316	596	1268	118	225	1793	2268	7312
income taxes	720	-259	-88	1432	1924	0	0	0	0	3729
interco	1175	786	1112	934	174	1568	4376	15893	17794	43812
curr liab	5566	3548	2375	3793	3499	2768	5623	19782	29350	76304
1-t debt:										
revolv cred	0	0	0	0	0	0	0	0	0	0
mortgages	0	0	0	314	0	0	0	0	0	314
leases	0	0	0	0	0	0	0	0	0	0
other	0	0	0	0	0	0	0	0	0	0
total ltd	0	0	0	314	0	0	0	0	0	314
less:current	0	0	0	0	0	0	0	0	0	0
net ltd	0	0	0	314	0	0	0	0	0	314
deferred tax	35	0	0	0	0	0	0	0	0	35
interco	0	0	0	0	0	0	0	0	0	0
sub interco	0	0	0	0	0	0	0	764	0	764
total liab	5601	3548	2375	4107	3499	2768	5623	20546	29350	77417
common stock	30	272	5	110	55	460	1367	27	1238	3564
cont surplus	5	0	0	0	14	1542	0	0	107	1668
ret earnings	663	819	3450	2175	1975	-1136	-392	-323	-4490	2741
current p/l	173	-84	203	695	1069	490	315	-1285	-3065	-1489
translat adj	155	113	586	462	418	48	50	-263	-2298	-729
treas stock	0	0	0	0	0	0	0	0	0	0
total equity	1026	1120	4244	3442	3531	1404	1340	-1844	-8508	5755
total liab & equity	6627	4668	6619	7549	7030	4172	6963	18702	20842	83172

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COMMODORE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS FOR THE WORLDWIDE BANK GROUP  
MARCH 1986

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comodore business machines, inc.  
income statement  
fiscal 1986

5/19/86

(in thousands of dollars)

	actual 6 mos ended 12/31/85	actual month 1/24/86	actual month 2/28/86	actual month 3/31/86	unusual 3/31/86	quarter 3/31/86	actual year-to-date 3/31/86
net trade sales	213000	7400	28900	25200		61500	274500
interco sales	47600	2700	4400	5300		12400	60000
total sales	260600	10100	33300	30500		73900	334500
cost of trade sales -std	171500	5500	20100	21100		46700	218200
cost of interco sales	36600	1800	3500	4800		10100	46700
unabsorbed labor & oh	6400	800	600	900		2300	8700
other cost of sales	7300	900	2300	1200		4400	11700
total cost of sales	221800	9000	26500	28000	0	63500	285300
net gross margin	38800	1100	6800	2500	0	10400	49200
operating expenses							
advert & merchand	29800	3100	4700	5900		13700	43500
selling & delivery	15600	2000	2400	1900	5000	11300	26900
administration	5500	700	1200	800		2700	8200
semiconductor expenses	1200	-200	600	200		600	1800
total operating expenses	52100	5600	8900	8800	5000	28300	80400
operating income	-13300	-4500	-2100	-6300	-5000	-17900	-31200
bank debt interest	5600	500	1000	800		2300	7900
interest on leases	1500	300	100	100		500	2000
interco interest	2400	100	200	300		600	3000
other expense (income)	17700	0	-100	-400	3100	2600	20300
pre-tax income (loss)	-40500	-5400	-3300	-7100	-8100	-23900	-64400
income tax (benefit)	0	0	0	0		0	0
net income (loss)	-40500	-5400	-3300	-7100	-8100	-23900	-64400

commodore business machines, inc.  
balance sheet  
fiscal 1986

5/19/86

	12/31/85	1/24/86	2/28/86	month change	3/31/86
cash & temporary investment	26200	10400	13000	-2700	10300
accounts rec -trade	79600	59100	53000	-2900	50100
-other	3600	3300	3300	-600	2700
-reserves	-22900	-22700	-23700	-6500	-30200
subtotal -receivables	60300	39700	32600	-10000	22600
inventories	129300	139800	142800	-26000	116800
income tax refunds	1300	1300	1300	0	1300
prepaid expenses	7200	6600	6600	-1100	5500
total current assets	224300	197800	196300	-39800	156500
property - cost	96400	94900	90500	100	90600
accum deprec	-34400	-34200	-32400	-1600	-34000
net property	62000	60700	58100	-1500	56600
other assets	5200	5300	5300	0	5300
total assets	291500	263800	259700	-41300	218400
current bank debt	80800	77000	77000	0	77000
current long-term debt	7900	7500	7000	-200	6800
other payables & accruals	37600	31500	28900	-3500	25400
income taxes	15600	15600	15600	0	15600
intercompany	41100	22500	20600	-2600	18000
total current liabilities	183000	154100	149100	-6300	142800
mortgages & leases	22000	21800	21400	-400	21000
subordinated intercompany	54100	60900	65500	-60900	4600
total liabilities	259100	236800	236000	-67600	168400
equity -beginning	53900	53900	53900	0	53900
capital contribution	19000	19000	19000	41500	60500
year-to-date income	-40500	-45900	-49200	-15200	-64400
equity -ending	32400	27000	23700	26300	50000
total liabilities & equity	291500	263800	259700	-41300	218400

commodore business machines, inc.  
inventory details  
march 31, 1986

5/19/86

	units	cost	value
	-----	-----	-----
c64 wip *	82700	86	7112
cl28 wip*	55900	151	8441
other components			9296
semiconductor die			3151
			-----
total raw materials & wip			28000
			=====
 c64	 8600	 90	 774
1541 drives	46800	123	5756
1702/1801 monitors	11900	160	1904
mps 803 printer	3800	98	372
			-----
subtotal			8807
			-----
 cl28	 31900	 158	 5040
1571	47300	152	7190
1902 monitor	8600	184	1582
mps 1000 printer	7700	168	1294
			-----
			15106
			-----
 al000 cpu	 53100	 590	 31329
al080 monitor	48500	242	11737
amiga accessories			10934
			-----
subtotal			54000
			-----
 other finished goods			 4212
returns accrual			6675
			-----
total finished goods			88800
			=====
 grand total			 116800
			=====

\*-assumes balanced kits of pcb's, power supply, keyboard, cases, etc.

commodore business machines, inc.  
analysis of intercompany activity  
for the month ended march 31, 1986

<u>description</u>	
2/28/86 balance	86100
intercompany sales	-8200
inventory purchases	22200
capital contribution	-41500
• cash payments	-12400
r&d reimbursement and other activity	-23600
3/31/86 balance	<u>22600</u> =====
current	18000
subordinated	4600
	<u>22600</u> =====

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COMMODORE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS FOR THE WORLDWIDE BANK GROUP  
MARCH 1986

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commodore business machines -u.k.  
income statement  
fiscal 1986

(000's omitted)

	6 mos ended	month	month	month	yr/date	yr/date
	12/31/85	1/24/86	2/28/86	3/31/86	3/31/86	3/31/86
	stg	stg	stg	stg	stg	u.s. \$
net trade sales	27800	3600	3500	800	35700	50900
interco sales	24700	5800	2100	2900	35500	49700
total sales	52500	9400	5600	3700	71200	100600
cost of sales	48500	9300	4700	4500	67000	92800
gross margin	4000	100	900	-800	4200	7800
operating expenses						
advert & merchan	3900	300	100	0	4300	6200
selling & deliv	1900	300	300	200	2700	3800
administration	500	100	100	100	800	1000
research & dev	300	100	0	0	400	700
total operating ex	6600	800	500	300	8200	11700
operating income	-2600	-700	400	-1100	-4000	-3900
interest expense	1100	200	100	0	1400	2100
interco interest	200	100	0	-100	200	300
other exp (income)	2200	-500	100	0	1800	3200
pre-tax (loss)	-6100	-500	200	-1000	-7400	-9500
income taxes	0	0	0	0	0	0
net income (loss)	-6100	-500	200	-1000	-7400	-9500

commodore business machines, uk ltd.  
product sales  
fiscal 1986

(in sterling 000)

		actual march	
	qty	price	sales
c64	4	105	0
1541 drives	464	98	45
c64/1541	2	135	0
c64/1530	2604	127	332
1541/printer	1	144	0
monitors	6	145	1
printers	60	154	9
ted products			1
others			-1268
subtotal -existing			-879
c128	364	169	62
c128d	880	311	274
1570/1571 drives	2114	132	278
c128/1530	2666	186	496
c128/1570	326	279	91
c128d/1900	319	393	125
1901 monitor	1113	188	209
subtotal -c128			1535
pc10	38	867	33
pc20	45	1241	56
other			0
subtotal -pc10/20			89
amiga			24
total -uk			769



commodore business machines -u.k.  
balance sheet  
fiscal 1986

(000's omitted)

	12/31/85	1/24/86	2/28/86		3/31/86	3/31/86
	stg	stg	stg	change	stg	u.s. \$
cash	0	200	0	0	0	0
accounts rec -trade	12200	13200	10300	-1100	9200	13700
-other	3300	2200	1900	300	2200	3300
-reserves	-1500	-1500	-1500	-900	-2400	-3600
subtotal -receivables	14000	13900	10700	-1700	9000	13400
inventories	37800	31300	22300	-7500	14800	22800
prepaid expenses	100	200	100	0	100	200
total current assets	51900	45600	33100	-9200	23900	36400
property - cost	6700	7600	6700	-2500	4200	6300
accum deprec	-1800	-2800	-2000	1500	-500	-800
net property	4900	4800	4700	-1000	3700	5500
total assets	56800	50400	37800	-10200	27600	41900
current bank debt	13300	11400	10500	-1500	9000	13200
current long-term debt	2800	2800	2800	-600	2200	3300
other payables & accruals	4000	4900	2500	-700	1800	2700
income taxes	4600	4600	1900	100	2000	2900
intercompany	11900	4600	1700	200	1900	2800
total current liabilities	36600	28300	19400	-2500	16900	24900
mortgages & leases	500	500	500	-500	0	0
deferred taxes	3100	3200	3100	100	3200	4700
subordinated intercompany	7700	10100	6300	-6300	0	0
total liabilities	47900	42100	29300	-9200	20100	29600
equity -beginning	15000	14900	14900	0	14900	24300
year-to-date income	-6100	-6600	-6400	-1000	-7400	-9500
cumulative translation adj	0	0	0	0	0	-2500
equity -ending	8900	8300	8500	-1000	7500	12300
total liabilities & equity	56800	50400	37800	-10200	27600	41900

Exchange Rate

IV-3

1.48

commodore business machines, u.k.  
inventory details  
march 31, 1986

5/19/86

	units	stg cost	stg value	us\$ value
	-----	-----	-----	-----
c64 wip *	10200	74	756	1119
c128 wip*	1700	140	238	352
other components			2706	4005
total raw materials & wip			3700	5476
			=====	=====
c64	29000	70	2030	3004
1541 drives	6200	93	577	853
1531 datasettes	29600	11	326	482
printers	2100	88	185	274
monitors	900	143	129	190
subtotal			3246	4804
c128	6000	117	702	1039
c128d	1300	253	329	487
1570	13400	108	1447	2142
pc10/20			403	596
other finished goods			5573	8248
total finished goods			11700	17316
			=====	=====
grand total			15400	22792
			=====	=====

\*-assumes balanced kits of pcb's, power supply, keyboard, cases, etc.

STG= US\$ 1.48

IV-4

commodore business machines, uk  
analysis of intercompany activity  
for the month ended march 31, 1986

<u>description</u>	<u>stg</u>
2/28/86 balance	8000
intercompany sales	-2800
inventory purchases	1700
cash payments	0
marketing support and other activity	-5000
translation adjustment	
3/31/86 balance	1900
	=====
current	1900
subordinated	0
	=====
	1900
	=====

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COMMODORE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS FOR THE WORLDWIDE BANK GROUP  
MARCH 1986

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commodore business machines -germany  
income statement  
fiscal 1986

(000's omitted)

	6 mos ended	month	month	month	yr/date	yr/date
	12/31/85	1/24/86	2/28/86	3/31/86	3/31/86	3/31/86
	dm	dm	dm	dm	dm	u.s. \$
net trade sales	213700	20400	33200	37100	304400	120100
interco sales	254000	20800	42600	45600	363000	143200
total sales	467700	41200	75800	82700	667400	263300
cost of sales	430500	37500	67900	73700	609600	240400
gross margin	37200	3700	7900	9000	57800	22900
operating expenses						
advert & merch	10700	1100	1600	2200	15600	6200
selling & deliv	17900	1200	1200	1400	21700	8500
administration	3200	600	500	500	4800	1900
total operating ex	31800	2900	3300	4100	42100	16600
operating income	5400	800	4600	4900	15700	6300
interest expense	3300	200	400	200	4100	1600
interco interest	6100	1000	1000	1000	9100	3500
other exp (income)	-500	100	-100	0	-500	-200
pre-tax income	-3500	-500	3300	3700	3000	1400
income taxes	100	1000	1100	1200	3400	1400
net income (loss)	-3600	-1500	2200	2500	-400	0

commodore business machines -germany  
product sales  
fiscal 1986

(in dm 000)

	actual march		
	qty	price	sales
c64	27448	372	10204
1541 drives	1161	364	422
c64/1541	1244	168	210
c64/1702/1530	3062	897	2746
c64/1570	1548	843	1306
c64/1530	500	1974	987
1541/printer	339	577	196
monitors	147	454	67
printers	14	284	4
ted products			6900
others			692
subtotal -existing			23732
c128	3989	554	2209
c128d	3826	1183	4528
c128/1570	1173	1014	1189
1570 drives	0	ERROR	0
1571 drives	272	511	139
1901 monitor	697	673	469
subtotal -c128			8533
pc10	1312	2339	3068
pc20	508	3433	1744
other			0
subtotal -pc10/20			4812
amiga			4
total -germany			37082

commodore business machines -germany  
balance sheet  
fiscal 1986

(000's omitted)	actual 2/28/86 dm	change	actual 3/31/86 dm	actual 3/31/86 u.s. \$
cash	400	100	500	200
accounts rec -trade	31900	11500	43400	18500
-other	7400	-5400	2000	800
-reserves	-3500	-300	-3800	-1600
subtotal -receivables	35800	5800	41600	17700
inventories	136500	0	136500	58300
income tax refunds	3900	0	3900	1700
prepaid expenses	9600	-500	9100	3900
total current assets	186200	5400	191600	81800
property - cost	20000	0	20000	8600
accum deprec	-7400	-400	-7800	-3300
net property	12600	-400	12200	5300
other assets	4600	0	4600	2000
total assets	203400	5000	208400	89100
current bank debt	24400	-1200	23200	9900
current long-term debt	500	0	500	200
other payables & accruals	18600	2800	21400	9200
income taxes	1600	2300	3900	1700
intercompany	-57800	73200	15400	6600
total current liabilities	-12700	77100	64400	27600
mortgages & leases	2100	-100	2000	900
deferred taxes	500	0	500	200
intercompany	100000	0	100000	42700
subordinated intercompany	60000	-60000	0	0
total liabilities	149900	17000	166900	71400
equity -beginning	56400	0	56400	22400
dividend paid	0	-14500	-14500	-6600
year-to-date income	-2900	2500	-400	0
cumulative translation adj	0	0	0	1900
equity -ending	53500	-12000	41500	17700
total liabilities & equity	203400	5000	208400	89100

Exchange Rate

2.34

commodore business machines, germany  
inventory details  
march 31, 1986

5/19/86

	units	dm cost	dm value	us\$ value
	-----	-----	-----	-----
c64 components			14018	5991
1541 components			14604	6241
c128 components			14216	6075
c128d components			7655	3271
1570/1571 components			8000	3419
pc10/20 components			10325	4412
other components			16982	7257
			-----	-----
total raw materials & wip			85800	36667
			=====	=====
c64	5500	304	1672	715
1541 drives	2000	353	706	302
1531 datasettes	33900	37	1254	536
printers	5300	140	742	317
monitors	400	400	160	68
			-----	-----
subtotal			4534	1938
c128	3100	398	1234	527
c128d	400	868	347	148
1570 drive	1600	397	635	271
1571 drive	17400	365	6351	2714
pc10	250	1925	481	206
pc20	400	2669	1068	456
other finished goods			36050	15406
			-----	-----
total finished goods			50700	21667
			=====	=====
grand total			136500	58333
			=====	=====

DM = US\$

2.34

V-4



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